



**Frequently Asked Questions
2003 Marketing RFP
as of April 23, 2003**

1. Do subcontractors need to submit the same certifications that are required of the Offeror?

No, the requirements that are required from the Offeror (i.e. audited financial statement from the past three years) are not needed for the Offeror's subcontractor(s). HTA does require that the Offeror describe the duties, qualifications and experience for any anticipated subcontractors (see page 14 in RFP). Additionally, the RFP stipulates that, whenever possible, subcontracted work should be through Hawai'i based companies and the HTA reserves the right to review and approve the financial capacity and expertise of any subcontractor whose billing will exceed \$100,000 annually (see page 12 in RFP).

2. Can I receive a copy of the presentation that was presented at the Bidders' Conference on March 25, 2003?

Yes, the presentation can be found at the HTA's website at: www.hawaii.gov/tourism.

3. What is the relationship between the contractor(s) and the Island Chapters?

The contractor will be responsible for statewide marketing efforts in the contracted MMA. Island-specific marketing programs are the responsibility of the visitors bureaus for each county. The island bureaus are part of the Hawai'i Visitors and Convention Bureau; non-HVCB contractors would be expected to coordinate statewide programs with the individual island bureaus to insure that programs are well-integrated.

4. Why is "speculative creative work" not required (see page 13 in RFP)?

"Speculative creative work" is neither expected nor required because the HTA is interested in examining the offeror's marketing direction and plans. If the RFP was strictly for advertising, then the HTA would require a speculative presentation. Once the marketing contractor(s) is selected, then HTA will require the contractor(s) to develop creative materials and executions to achieve the work plan.

5. The overall theme is *Islands of Aloha*. What if there are four offerors from four different Major Market Areas (MMAs) who propose different themes?

The HTA will be the coordinating body to determine whether brand messages need to be uniform or tailored to individual markets.

6. Although not specifically stated in the RFP, will agencies need to provide verification(s) of good standing from the agencies respective state's corporation commission when referencing the requirement of providing evidence of creditworthiness?

The financial requirements are as stated on page 15 of the RFP. There is no additional requirement for a verification of good standing. Note that there is a requirement to provide evidence of a letter of credit at the time of contract execution.

7. Are there any specific guidelines to packaging the individual responses (i.e. 3 ring binders, margins, type of paper, etc.) and boxing of said materials when shipping other than what has been cited in the RFP? Does it need to be in separate packages or in one package?

There are no specific format requirements as long as the materials are readable. Materials can be sent in one package to the address noted in the RFP.

8. Please clarify the notation that the Hawai'i Convention Center is not included in the RFP.

The Hawai'i Convention Center marketing contract was awarded to SMG effective January 1, 2003. The change was the result of legislation in 2002, which is why it is not part of this review. HTA has now separated Convention Center marketing from Corporate Meetings and Incentives (CMI) marketing – and the CMI portion is what is in the RFP. CMI is, essentially, related to business meetings and incentive travel to Hawai'i that is hotel based – not booked in the Convention Center.

9. The RFP lists budget levels for designated MMAs on page 10. Are these figures per year or for the entire four year contract?

The pro forma budgets in the RFP are annual budgets. (Please insure that you downloaded the RFP with the notation "Revised 8:30 a.m. March 17").

10. Final budget levels will be determined later and based on the overall HTA budget. Please advise on the approximate date when budget will be determined.

HTA operates on a fiscal year, which begins July 1. Without making a commitment, HTA would normally expect to have its budget approved in mid-May. Please work with the pro forma budgets in the RFP; these budgets will be the basis for comparing submittals.

11. How much of the evaluation process weighs on the issue that the contractor does not have an office based here in Honolulu.

Weights have not been assigned to this factor. A primary consideration is the offeror's ability to effectively market Hawai'i and provide service to the HTA staff and board.

12. Is there a specific budget for Oceania, or should it be included under “other.”

It is included in “other.”

13. What is the status of the HVCB sales offices in the various MMAs? Who will be managing them?

The HVCB sales offices are part of the HVCB organization and were developed and funded as part of its historic leisure marketing contracts with the state. Offerors would need to evaluate the role of such offices in their proposed work plan. If sales offices are part of the offeror’s proposal, premises costs and staffing would need to be included in the proposal and included in the budget.

14. Regarding the Proposal Requirements defined in Section 6. Are the financial and reference requirements firm or can exceptions be made for a start-up company?

The requirements in the RFP are meant to insure that the state is contracting with financially sound and reputable companies. The requirements in this section are firm. Note that in lieu of three years of audited financial statements, offerors can provide “evidence of creditworthiness or other financial indicators providing evidence supporting the ability to manage the proposed program.”

15. Please provide a break down of the 2003 Corporate Meeting and Incentives marketing budget (\$2 million).

<u>Category</u>	<u>% Of Budget</u>
Advertising	11%
Communications/Promotions	12%
Meeting Trade	14%
Sales	60%
Administration	4%

16. Please provide a break down of the 2002 & 2003 Japan marketing budget.

	<u>% Share</u>	
	<u>2002</u>	<u>2003</u>
Consumer Advertising	55%	32%
Consumer	23%	38%
Communications/Promotions		
Travel Trade	10%	13%
Sales	7%	10%
Market Trends	3%	2%
Administration	2%	5%
	100%	100%

* Japan 2002 Budget = \$8,800,369

** Japan 2003 Budget = \$8,977,814

16. Evidence of a \$1 million Letter of Credit is high at the time of contract execution for the MMAs outside of North America and Japan. Can it be modified?

Yes, the HTA has lowered the amount of the Letter of Credit for MMAs other than North America and Japan. Such MMAs must provide evidence of a \$200,000 Letter of Credit at the time of contract execution. A revised RFP has been issued and can be found on the HTA's website at: www.hawaii.gov/tourism.

17. May we assume that the timeline mentioned on page 12, item number 13 of the RFP covers what is needed to get the key program elements up and running for the first year?

Yes.

18. Would it be possible to find out who is bidding, so that I may initiate my team's vision and strategies?

While the HTA has a list of the companies/organizations who attended the Bidder's Conference, we do not know who will be submitting a proposal.

19. Have there been publicly-available "annual reports" on HVCB activities, plans, budgets, costs, results?

The HTA will make available the 2001 and 2002 Annual Tourism Marketing Report available for inspection at the HTA's office. Please call Harumi Leong at 808-973-2268 to schedule an appointment.

20. In the RFP, page 12, item number 11 it is stated that the HTA has established a "measurement system." Would this system be available to us to review?

The HTA has contracted with PLOG Research to track the effectiveness of the HVCB's marketing programs in Japan and North America in the beginning of this year. The "measurement system" is composed of 3 self-administered weekly mail out questionnaires for the major market areas (MMAs) of U.S. West, U.S. East and Japan. The questions examine the following: 1) the overall intention to travel to Hawaii, 2) brand valuation, and 3) measurements of specific marketing attributes in the 3 MMAs. Specific marketing attributes for the MMAs are as follows:

U.S. West: Hawaii has a wide range of activities, experiences and events for the active visitor to participate in, with a unique sense of aloha.

U.S. East: Differentiation of Hawaii from other warm weather destinations, with Hawaii distinguished by its host culture and sense of aloha.

Japan: Hawaii is a destination that has more to offer -- events, interesting culture, shopping, exploring -- than the stereotype of Hawaii suggests.

The HTA expects to receive the 1st quarter results at the end of this month.

21. On page 5 of the RFP, it states that "offerors have the option of submitting a proposal for the entire contract or for one or more of the individual geographic MMA's." However, on page 7 it states that "HTA will combine these MMA's (in reference to North America) to select a single contractor." Can we submit an RFP for Canada only?

The MMAs on page 5 are a listing of all of the MMAs in the Ke Kumu strategic plan. We have, however, combined the three North America MMAs so as to have one contractor for North America. So, we would not look at a Canada-only bid.

22. Can you give me a ball park of what the budget allocation for Canada only would be against the \$15 million for North America?

In 2003, Canada was about 3.2% of the grand total and about 5.0% of the North America total.

23. Is the \$15 million for the North America market over the four year plan or is it \$15 million per year for four years?

The \$15 million is for one year.

24. Do we need to submit a four year plan by the April 28th deadline or only for year one – to be reviewed yearly?

The work plan is a one year plan.

25. On page 11, item number 10b, are there additional budgets over the \$15 million for sports marketing or is this to be included in the overall budget?

HTA budgets separately for the Pro Bowl, PGA, and other sports (for site fees, costs related to the event, and associated contractual marketing activities. We are looking for offerors to use a portion of the leisure marketing money to extend the marketing impact of these sports programs with additional branding programs.

26. Please clarify the registry of Hawaii based groups traveling to the mainland and Japan as found on page 12, item 10(e). Does this mean we need to include in our budget opportunities such as trade shows where Hawaii can be represented and allocate funding for booth space, plus cover travel expenses for attendees from Hawaii?

This relates to a directive from the state legislature to develop programs that take advantage of Hawaii resident travel to the mainland and Japan for school programs, sports, or business activities. The idea is that we would develop a registry (probably web based) that would allow groups or individuals to tell us where they are traveling and who they are contacting ... and provide them with materials (pins, brochures, stickers, etc.) supporting travel to Hawaii. Essentially, the program is meant to create "ambassadors" or the state.

27. Please clarify what is meant by the following as found on page 12, item 10g: “The CMI work plan should include a program for a system to utilize Hawaii contacts who have ties to national/international organizations in promoting business meetings in Hawaii.”

If you're familiar with it, this is meant to develop a program similar to the kuhina program. Kuhina means ambassador ... and the program identified Hawaii residents (kuhina) with ties to national/international associations and business who conduct meetings. The kuhina were then provided assistance in making the case for having conventions or meetings in Hawaii.

28. If an offeror is interested in submitting a proposal for more than one MMA, does the offeror submit a separate submission for each MMA?

No. The offeror should submit a separate workplan for each MMA only. All other items such as financials need not be separate.

29. Please clarify the “consumer advertising” and “consumer communications/promotions” categories. In addition, which category would tie-up expenses for media (e.g., travel costs for TV crew and journalists) fall under?

Consumer advertising consists of purchased exposure for consumers (e.g. broadcasts/print media, televised events, television shows, direct marketing, including collateral, internet).

Consumer communications/promotions consist of consumer exposure outside advertising mediums (e.g. media events, promotions, public relations, Aloha Cities, Chefs of Aloha).

The tie-up expenses for media would fall under the consumer communications/promotions category.

30. The HVCB in Japan now seems to represent all of marketing and sales efforts in Japan, including trade relations and information services to consumers. Does HTA expect the selected contractor in Japan to provide same level of staffing and office space with the HVCB's or provide marketing expertise/initiatives mostly in line with the work plan (Section 5 in RFP)?

The HTA does not expect the selected contractor to provide the same level of staffing and office space as the HVCB. The HTA is interested in the marketing programs proposed in the work plan and how the offeror intends to organize its resources, expertise and experience to accomplish its goals and objectives.

31. The RFP seems to solicit proposals for statewide marketing efforts in consideration of island-specific marketing. Are there materials on website that detail HTA's current island-specific strategies?

*The Marketing RFP is for **overall, statewide marketing programs only**, not island-specific marketing. Once the contractor(s) is selected, the HTA expects the contractor(s) to work and coordinate statewide **and** island-specific activities with the Island Chapters. Thus, the offeror should only propose marketing programs that are statewide related, not island specific.*

32. Please further clarify the registration process.

Registration is not required, but will help facilitate the communication between the HTA and offerors. If you provide the HTA with contact information, we will include it in our database and ensure that the updated information regarding the RFP & FAQ will be disseminated. You may call Harumi Leong at 808-973-2268 to provide her with the information.

33. I took a look at the RFP and there are aspects of the project where our company's skills could be very valuable. Our expertise is in conducting research and then designing marketing strategies that target an organization's most profitable customer groups. Our focus area would be on a specific geographic location. Is there any further information you can give me about the best way to go about proposing on these specific aspects of the project?

Your proposal would be more likely a subcontract -- the offerors have to bid for the entire scope of services in the work plan section.

34. I assume that the work plan should include a budget to create and update the "registry" as well as ideas/budget for promotional materials for them to use in Japan. How many registrants does the current program receive each year?

In calendar year 2002, the Hawaii Visitors and Convention Bureau (central office) received 60 requests, of which 4 were for travel to Japan.

35. Please clarify the definition of "participation levels" for tradeshow.

"Participation levels" refers to the level or degree of participation at the tradeshow. For example, size of booth, number of client events associated with the show, and levels of promotional activities with the show.

36. The RFP asks bidders to demonstrate the benefits in increased effectiveness and decreased costs including marketing programs that are the most effective and cost-efficient, consistent with Ke Kumu. Assuming that some bidders will be "for-profit" companies (pay GET and income taxes and budget for a profit) and some bidders will be "non-profit" companies (tax exempt and have no profits), how is the HTA going to compare/evaluate their proposals in the area of effective and efficient use of funding?

Essentially, the type of organization doesn't matter – the bottom line is the bottom line. If as a non-for-profit you can deliver "x" for cost "y" that will be the point of comparison. A for-profit company, of course, would have to factor in whatever profit and taxes are part of the cost.

37. Will the \$6.3 million annual budget for Japan, cover the budget for all of the categories which are specified in No. 16 of FAQ?

The \$6.3 million may cover the budget categories that are specified in the FAQ, question no. 16. Please note that the HTA leaves it to the offeror as to the budget allocation of the \$6.3 million. Also, the 2002 and 2003 Japan budget also includes the island visitor bureaus' monies. For the RFP, the HTA has set aside 30% of the total leisure marketing funds for island marketing. The 30% is in addition to the \$6.3 million. The \$6.3 million is for statewide programs to be developed by the offeror; the additional funds are for individual island programs developed by the island visitor bureaus.

38. Contractors are required to submit an original plus 10 the written proposal. Please clarify if the HTA requires a similar number of the audited financial statements or is one copy attached to the original proposal sufficient?

The reason for 10 copies is that the proposals will be reviewed by a screening committee -- so at some point, they would need to see the financials. You may submit 1 copy of the financials and be rest assured that it will remain confidential.

39. As a non-traded/listed company, we do not prepare audited financial statements. However, as an employee-owned company, we do submit Form 5500reports to the federal government, as required under sections 104 and 4065 of ERISA. Is this acceptable?

The HTA will accept either "an audited financial statement for the past three years, evidence of credit worthiness, or other financial indicators providing evidence supporting the ability to manage the proposed program."

40. Please clarify the sentence, "Indicate any fees and/or costs of providing the stated services in this RFP. Whereas our proposal will contain estimated cost and budget information, is the HTA asking for each project or item to be broken down by the offeror into out-of-pocket cost, markup, commissions realized, staff time charges, etc?"

The HTA is not asking for an itemized breakdown.

41. Please clarify the incorporation of accountability and performance measurements, as stated in RFP on page 12, item number 11.

What was meant there is that the HTA encourages offerors to incorporate accountability and performance measurements into their proposals. HTA will be doing its own assessments based on the research that is mentioned (along with other evaluations). However, if specific programs can be measured in other ways (page views, attendance at trade events, completed training sessions for agents, requests for materials, etc.) we would like to hear your recommendations on supplementing the HTA accountability measures with these programmatic measures of performance.

42. Under what category are call center costs included under?

Call Center Costs are included under Communications/Promotions.

43. Under what category is collateral included?

If it is consumer related, collateral material would be under Advertising; if it is trade related, it would be under Travel Trade (for Leisure) and Meeting Trade (for MCI).

44. What is included in the travel trade category?

Travel Trade is defined as exposure to travel trade and relevant information for use by travel.